

Exhibit 4

GMAC-RFC

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Definitions

The terms defined below shall have the same meaning throughout this Client Guide, unless the context clearly requires otherwise.

Accrued and Unpaid GMAC-RFC Scheduled Interest

At any time and with respect to any Loan, all interest that has accrued on the **Scheduled Principal Balance** of such Loan at the rate provided for in the Note evidencing such Loan net of the primary **Servicing Fee** and that has not been paid to GMAC-RFC by the primary servicer for such Loan.

Acquisition Team

GMAC-RFC
One Meridian Crossings
Suite 100
Minneapolis, MN 55423
Attention: [Assigned] Acquisition Team

Adjustment Period

The time during which an ARM interest rate remains effective. After the initial Adjustment Period, the interest rate may not change more than once in a set period of time (i.e., 6 months, 12 months) based on the movement of the index.

Affiliate

Any person or entity controlling, controlled by or under common control with GMAC-RFC. "Control" means the power to direct the management and policies of a person or entity, directly or indirectly, whether through ownership of voting securities, by contract or otherwise; and "controlling" and "controlled" shall have meanings correlative to the foregoing.

ALTA

American Land Title Association
1828 L Street NW, Suite 705
Washington, DC 20036
800.787.ALTA

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Alternative Delivery

A process that provides Client with non-standard procedures and delivery requirements, as described in the **Alternative Delivery** Section of Chapter 9C.

Ancillary Income

Servicing income derived from any Loan other than **Servicing Fees**, including, without limitation, late charges and other incidental fees and fees or expense reimbursements relating to insurance.

Automated Valuation Model (AVM)

A model using at least one of the two following methodologies to arrive at a determination of Value for real property without the use of, or with limited intervention by a human appraiser.

Index or repeat sales model: A mathematical model that derives an estimate of current market Value by taking an old Value from a previous sale or refinance and applying a market rate of change to reflect a present day Value. The market rate of change percentage is derived from looking at repeat sales within a limited geographic area (i.e., 5-digit zip); by property type (e.g., condominium, single family detached, 2-4 unit); and often within price bands (e.g., <50% of median price, 50-100% of median, 100 - 150% of median, and >150% of median), for the same period as the subject property.

Hedonic or regression models: Also referred to as comparable sales models, these models derive an estimate of current market Value by analyzing the various characteristics of like properties (e.g., square footage, lot size, number of bedrooms). The model then determines the impact that each characteristic has on Value by looking at the characteristics of recent sales within a limited geographic area (i.e., 5-digit zip) and determining an appropriate formula. By applying the characteristics of the subject property to this formula, a current Value can be derived.

Best Efforts Delivery Commitment

A **Commitment** under which Client has committed that it shall make best efforts to close on an eligible-for-purchase Loan, which conforms to the Loan described in the Commitment, and that if Client does so then Client shall deliver the Loan to GMAC-RFC.

Borrower

The one or more individuals obligated to repay the Loan. (Also see **Primary Borrower**.)

Business Day

Any day other than a Saturday, Sunday or any of the holidays upon which GMAC-RFC is officially closed for business, as set forth in the **Hours of Operation and Holidays** Section of Chapter 1.

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Buyups

An increase of the posted **Margin**/yield by the Client that may result in an increase in the origination fee.

Buyout Fee

A fee that Client owes GMAC-RFC as a result of Client's failure to meet Client's delivery obligations in a timely manner under a **Commitment**.

Cash-Out Refinance Mortgage

A Loan whose proceeds are distributed for debt consolidation, cash-in-hand, payoff of non-seasoned closed-end subordinate mortgages and payoff of Lines of Credit with cash advances in the past 12 months.

Client

A person or entity that has entered into a Client Contract with GMAC-RFC.

Client Eligibility

In order to become a Client, a mortgage Loan originator must:

- Satisfy the GMAC-RFC Client Eligibility Standards
- Have its completed Client Application approved by GMAC-RFC
- Enter into the Client Contract
- Deliver a certified Resolution of Boards of Directors to GMAC-RFC

Client Risk Management

GMAC-RFC
8400 Normandale Lake Blvd.
Suite 600
Minneapolis, MN 55437
Attention: Client Risk Management

CLTA

California Land Title Association
1110 K Street, Suite 100
Sacramento, CA 95814
916.444.2647

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Commitment

A Best Efforts or **Mandatory Delivery Commitment** obtained by the Client from GMAC-RFC for delivery of Loans as described in **Chapter 9A**, Commitments.

Commitment Confirmation

GMAC-RFC's written communication to the Client confirming that GMAC-RFC has accepted Client's **Commitment** and additional terms and conditions applicable to GMAC-RFC's potential purchase of the Loan under such Commitment as described in the **Commitment Confirmation** Section of Chapter 9A.

Commitment Period

The period of time for any particular **Commitment** during which Client has committed to deliver an eligible-for-purchase Loan which conforms to the Loan described in the Commitment.

Condo-Hotel

(Condotel)

A project that has a rental or registration desk, short-term occupancy, food and telephone services and daily cleaning services. It is operated as a commercial hotel even though the units are individually owned. See **Condo-Hotels** in Chapter 3, Loan Eligibility.

Credit Documents

A subset of the **Loan Documents**, as described in the **Funding Documents** Section of Chapter 9C.

Credit Limit

The maximum aggregate principal amount of advances allowed to be outstanding under the terms of the Agreement (as defined below).

Credit Score

Also known as the "FICO Score," "Beacon" or "Empirica" – an index assessing the Borrower's credit history. The Credit Score evaluates and considers only the information in a Borrower's file at a credit reporting agency. As an index, the score reflects the relative risk of serious **Delinquency**, default, foreclosure or bankruptcy associated with a Borrower. A Credit Score is available (as an enhancement to the credit report) through the following repositories:

Equifax and Equifax Canada
Trans Union
Experian

Beacon
Empirica
FICO

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Debt-to-Income Ratio

(DTI)

All of the Borrower's applicable monthly debt divided by the Borrower's monthly income, as detailed in the **Total Debt-to-Income Ratios** Section of **Chapter 4**.

Delinquency

Delinquency occurs when all or part of the Borrower's monthly installment of principal, interest and, where applicable, Escrow/Impound is unpaid after the due date. A Delinquency that remains uncured as of the close of business of the last **Business Day** before the next due date is considered a one-payment or 30-day Delinquency.

Delivery Commitment Number

The number that is assigned to each Delivery Commitment at the time an individual Delivery Commitment is ordered.

Delivery Date

The date on which GMAC-RFC actually receives the Client's **Funding Documents**. The posting of the Funding Documents with the U.S. Postal Service or any other delivery service does not constitute delivery to GMAC-RFC.

Demand Deposit Account

A deposit account from which funds may be withdrawn by the Servicer/depositor immediately and without advance notice of intended withdrawal.

Designated Servicer

A person or entity that has been designated by GMAC-RFC to service any Loan with respect to which GMAC-RFC purchases the **Servicing Rights**.

Discontinued Loan

A Discontinued Loan is a Loan that meets any of the criteria set out in the **Responsible Lending Representations, Warranties and Covenants** Section of Chapter 2A.

Draw Period

The time during the Loan term that the Borrower may request advances and will be required to make minimum monthly payments on the outstanding principal balance of the Home Equity Loan. The minimum monthly payment may not fully repay the principal at the end of the Draw Period. At the end of the Draw Period the Borrower will be required to repay the outstanding principal balance plus any accrued interest in monthly installments over the repayment period.

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Early Purchase of Servicing

The Simultaneous Sale of Servicing with the **Sale Date** being the date on which the purchase price of the Loan is funded, and the **Effective Date of Transfer** being the first day of the month following the Sale Date.

Effective Date of Transfer

The date on which the responsibility for the servicing of a mortgage Loan is assumed by the **Designated Servicer** and responsibility for the servicing representations, warranties and duties are transferred to the Designated Servicer. In the case of negotiated Bulk Servicing Acquisition of **Servicing Rights**, the Effective Date of Transfer shall be the date agreed upon by the Client and GMAC-RFC. In the case of any sale of Servicing Rights to GMAC-RFC on a Loan-by-Loan basis, the Effective Date of Transfer:

- For a Simultaneous Sale of Servicing is the first day of the second month following the **Sale Date**
- For an **Early Purchase of Servicing**, in which case the Effective Date of transfer is the first day of the month following the Sale Date
- For a **Post Purchase Sale of Servicing** and an Early Purchase of Servicing, is the first day of the month following the Sale Date

Electronic Verification

A computer-generated document downloaded and printed from the Internet, intranet or included in an email message that provides all the information contained in the original hard-copy form. The Electronic Verification must be readable by an image scanner and must be printed and included in the Loan file. The Borrower may provide the Electronic Verification to Client or Client may obtain it directly from the employer, depository, appraiser or other institution.

Escrow/Impounds

All funds collected by the Client and/or Servicer to cover expenses of the Borrower required to be paid under the **Security Instrument**, including, but not limited to, taxes, special assessments, ground rents, water, sewer and other governmental impositions or charges that are or may become liens on the **Mortgaged Premises** prior to that of the Loan, as well as hazard, flood and mortgage insurance premiums.

Event of Default

The events specified in the **Events of Default** Section of Chapter 2A.

Exclusionary List

The list by this name, published by GMAC-RFC at **GMACResidentialFunding.com**, and updated from time to time.

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FDIC

The Federal Deposit Insurance Corporation.

Factory-built Homes

Many types of housing structures are constructed right in the factory and are designed for long-term residential use. There are five categories of Factory-built Homes which include: Manufactured Home, Modular Home, Mobile Home, Panelized Home and Pre-cut Home and each are defined individually in this Chapter.

Fannie Mae

The Federal National Mortgage Association.

Fee Simple

The greatest possible interest a person can have in real estate including the right to dispose of the property or pass it on to one's heirs.

Final Documents

The documents required by the Submission of Final Documents Section of Chapter 9E.

First Interest Rate Cap

A predetermined upper limit (or cap) established for the Borrower's first interest rate change date.

Freddie Mac

The Federal Home Loan Mortgage Corporation.

Frozen Credit

In certain circumstances, a Borrower has the right to "freeze" their credit information at one or more of the three national repositories, prohibiting a third party gaining access to their credit information.

Funding Amount

The funds wire transferred to the Client on the Funding Date in payment for any Loan and Servicing (if applicable) sold by the Client to GMAC-RFC.

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Funding Date

The date the **Funding Amount** is wire transferred to the Client in payment for any Loan and Servicing (if applicable) sold by the Client to GMAC-RFC.

Funding Documents

The documents required by the **Funding Documents** Section of Chapter 9C.

Ginnie Mae

The Government National Mortgage Association.

GMAC-RFC

A Delaware corporation, its successors and assigns or such other name in which Residential Funding Corporation (GMAC-RFC) may do business in any State. References to GMAC-RFC in this Client Guide shall also be deemed to include, as appropriate in connection with the issuance of one or more securities relating to Loans or as otherwise appropriate, an **Affiliate** of GMAC-RFC, a master servicer, custodian or trustee and/or any other person or entity that:

- Is put in place by GMAC-RFC in connection with the issuance of securities relating to Loans or other disposition of all or part of the rights and duties of GMAC-RFC under the Client/ Servicer Contract, this Client Guide and/or the Servicer Guide
- May become obligated to render performance to, or entitled to receive performance from, a Client or a Servicer **OR**
- Is an assignee or pledgee of all or part of the interest by GMAC-RFC in one or more Loans resulting from issuing securities

GMAC-RFC may designate others, including but not limited to its attorneys, auditors and consultants, to perform any of its duties or exercise any of its rights under this Client Guide or the Servicer Guide. GMAC-RFC reserves the right to require the Client to deliver Loans, and the Servicer to deliver remittances and reports directly to its designee.

Graduated Payment Mortgage (GPM)

A type of flexible-payment mortgage where the payments increase for a specified period of time and then level off.

Growing Equity Mortgage (GEM)

A mortgage instrument that provides for annual, semi-annual or monthly increases in a Borrower's mortgage payments, the proceeds from which are used to accelerate the reduction of principal on the mortgage. As a result of the increased payments, the Borrower rapidly acquires equity and is able to payoff the Loan more quickly.

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HUD

United States Department of Housing and Urban Development.

HUD Code

The Department of Housing and Urban Development (HUD) administers the Federal **Manufactured Home** Construction and Safety Standards Act, which is a federal building code that went into effect June 15, 1976. Since that time, Manufactured Homes must be constructed to meet the HUD Code which regulates manufactured housing design, construction, strength, durability, transportability, fire resistance, energy efficiency and quality. HUD Code also sets performance standards for the heating, plumbing, air-conditioning, thermal and electrical systems. **It is the only national building code.**

Home Equity Line Security Agreement or Note

Also sometimes referred to as the "Agreement" or "Note" – the applicable form of instrument evidencing the Home Equity Loan as described in this Client Guide and Home Equity Chapter.

Home Equity Purchase Date

The date GMAC-RFC approves the Loan for purchase and funds the purchase price for such Loan to the Client. The **Property Data** for each Loan shall also be deemed to be the **Funding Date** for that Loan.

Home Equity Repayment Period

The time during the Loan term that the Borrower must make fully amortizing payments on the outstanding principal balance. No further advances can be made against the Home Equity Loan during this period.

Home Equity Simultaneous Transactions

The Home Equity Loan is closed at the same time as a first mortgage Loan transaction.

Home Equity Standalone Transactions

The Home Equity Loan is closed subsequent to any first mortgage Loan transaction.

Initial Advance

The amount of money advanced to the Borrower on the Home Equity Loan by the Client prior to the purchase of the Home Equity Loan by GMAC-RFC.

Minimum Advance - the smallest amount of money to be advanced to the Borrower at the time of any draw on a Home Equity Line.

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Insured Depository

A depository institution whose deposits are insured either by the **FDIC** or the NCUSIF.

Institutional VOR

Direct written verification of 12 month rental history from a property management company may be provided if management company is listed in the local telephone directory. Verification that property management company exists can be obtained through a reverse telephone directory look up or can be verified with a business entity verification. File must contain a copy of the listing, reverse look up, or business entity verification. If the listing, reverse look up, or business entity verification is not available, 12 month cancelled checks must be provided.

Interest Rate/Payment Adjustment

Adjustments that occur when the interest rate changes, the outstanding principal balance must be re-amortized over the remaining term of the Loan at the new interest rate. The new principal and interest payment will be calculated to repay the Loan over its remaining term.

Intermittent Lates

A pattern of late payments that is not consecutive, but is broken into intervals. For example, a mortgage rating with a three-month history reflecting the following is considered 2x30 for grading purposes:

First Month:	30-day Delinquency
Second Month:	Current
Third Month:	30-day Delinquency

Land-to-Value

The ratio that results when the lot Value indicated on the appraisal report is divided by the Value of the **Mortgaged Premises**.

Leasehold

An estate or interest in real property held by virtue of a lease.

Legal Documents

A subset of the **Loan Documents**, as described in the **Funding Documents** Section of Chapter 9C.

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Lifetime Cap

The maximum interest rate increase or decrease over the term of the Loan.

Lifetime Floor

The lowest interest rate that could be in effect over the term of the Loan.

Lis Pendens

A notice of public record indicating that the property is in litigation and in danger of an adverse judgment.

Loan

A Loan sold or intended to be sold by the Client to GMAC-RFC and that meets or is intended to meet all the requirements of this Client Guide. The term "Loan" includes all of the Client's rights, title and interest in and to the Loan, including but not limited to the **Loan Documents**, the Loan file and all other material and information collected by the Client in connection with the Loan.

Loan Accounting Department

GMAC-RFC
2255 North Ontario Street, Suite 400
Burbank, CA 91504-3120
Attention: Loan Accounting Department

Loan Documents

Includes originals and copies of the appraisal, the **Security Instrument**, the Note and all other documents described in the Client Guide.

Loan Program

Any one or more of the Loan Programs pursuant to which a Client may sell Loans in accordance with this Client Guide. The Loan Programs are described in **Chapter 6**, Loan Programs, and includes both standard and non-standard Loan Programs.

Loan-to-Value

The ratio that results when the Loan amount is divided by the Value of the **Mortgaged Premises**. The Combined Loan-to-Value (CLTV) is the ratio of the Loan plus any **Secondary Financing** divided by the Value of the Mortgaged Premises.

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Major Adverse Credit

For credit grades A1, A2 and A3:

Collection accounts, charge-off accounts, judgments, liens, delinquent property taxes, repossessions, garnishments and accounts showing 90 days or more delinquent are considered to be Major Adverse Credit.

- All State, IRS and property tax liens are required to be paid whether or not they currently affect title. No payment plans or subordination allowed. Property tax liens on other properties will be considered Major Adverse Credit. Federal tax liens older than ten years are not required to be paid unless the title company requires payoff
- Adverse accounts over 24 months old that do not affect title will not be considered in grade determination and are not required to be paid.
- Cumulative adverse accounts, less than \$500 may be left open provided they do not affect title

For credit grades A4, Ax, Am, B, B 1x60, C and Cm:

Collection accounts, charge-off accounts, judgments, liens, delinquent property taxes, repossessions, garnishments and accounts currently 90 days or more delinquent are considered to be Major Adverse Credit.

- Medical accounts will not be required to be paid. Aggregate totals exceeding the CLTV limits for the Loan transaction will be reviewed on a case by case basis
- All State, IRS and property tax liens are required to be paid whether or not they currently affect title. No payment plans or subordination allowed. Property tax liens on other properties will be considered Major Adverse Credit. Federal tax liens older than ten years are not required to be paid unless the title company requires payoff
- All adverse credit (non-medical) less than 24 months seasoned must be paid. Any current 90-day or more delinquent account must be brought current before or at closing
- Adverse accounts over 24 months old that do not affect title will not be considered in grade determination and are not required to be paid.
- Cumulative adverse accounts, less than \$500 may be left open provided they do not affect title

Mandatory Delivery Commitment

A **Commitment** under which Client has committed to deliver an eligible-for-purchase Loan, which conforms to the Loan described in the Commitment.

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Manufactured Home

A Home built entirely in the factory under a federal building code administered by the Department of Housing and Urban Development (HUD) is classified as a "Manufactured Home". These homes are constructed to meet the Federal Manufactured Home Construction and Safety Standards Act (HUD Code) which have been in effect since June 15, 1976. The Federal standards regulate manufactured housing design, construction, strength, durability, transportability, fire resistance, energy efficiency and quality. The HUD Code also sets performance standards for the heating, plumbing, air-conditioning, thermal and electrical systems. It is the only national building code. To be eligible for purchase by GMAC-RFC, the property must have been constructed after June 15, 1976 and must meet all specifications outlined in the **Manufactured Homes**, Section of **Chapter 3**.

Structurally, Manufactured Homes may be factory constructed as either a single section or as multiple sections. The sections are then transported to the site and installed.

Margin

The amount added to the index Value to create the mortgage interest rate for an ARM Loan.

MERS

MERSCORP or Mortgage Electronic Registration Systems, Inc. and the MERS® System.

MIN

Mortgage Identification Number registered with **MERS**.

Minimum Advance

The smallest amount of money to be advanced to the Borrower at the time of any draw on a Home Equity Line.

Mobile Home

Mobile Home is a term applied to homes built prior to June 15, 1976 when the HUD Code went into effect. In many cases these homes were built to voluntary industry standards. GMAC-RFC does not consider Mobile Homes to be an eligible property type under any program.

Modular Home

Modular Homes are **Factory-built Homes** constructed to the State, local or regional building codes where the home will be located. Modular Homes are multi-sectioned units that are transported to the site and installed.

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Mortgage Insurer

A provider of mortgage insurance that has been approved by GMAC-RFC as listed on GMAC-RFC **Exhibit 1304**.

Mortgaged Premises

The land and improvements thereon subject to the lien of the **Security Instrument**.

Non-Standard Documents

Any documents evidencing or securing a Loan that are not **Uniform Instruments**.

Note

The applicable form of instrument evidencing the Loan as required under this Client Guide, including any addenda thereto.

Panelized Home

Panelized Homes are defined as homes where panels (flat units that represent a whole wall with windows, doors, wiring and outside siding) are constructed in the factory and then transported to the site and assembled. Panelized Homes are constructed to the State, local or regional building codes of where the home will be located.

Party Wall

A wall built along the boundary line of adjoining properties and shared by the respective property owners or tenants.

Payment Change Date

The first day of the month following an interest rate change date. It is the date on which a payment change, due to an interest rate change, becomes effective.

Periodic Cap

The maximum interest rate increase or decrease at each interest rate **Adjustment Period**.

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Planned Unit Development

A Planned Unit Development (PUD) is a development that has the following characteristics:

- (1) The individual unit owners own a parcel of land improved with a dwelling. Ownership is NOT in common with other unit owners.
- (2) The development is administered by a homeowners' association (HOA) that owns and is obligated to maintain property and improvements within the development for the common use and benefit of the unit owners.
- (3) The unit owners have an automatic, non-severable interest in the HOA and pay a mandatory assessment.

Portfolio Risk Management

GMAC-RFC
8400 Normandale Lake Blvd.
Suite 600
Minneapolis, MN 55437
Attention: Portfolio Risk Management

Post Purchase Sale of Servicing

The sale of Servicing to GMAC-RFC after purchase of the Loan by GMAC-RFC.

Pre-cut Home

Pre-cut Homes are a type of factory-built housing. Materials for this type of home are factory-cut (pre-cut) to design specifications, transported to the site and then assembled. Pre-cut Homes include kit, log and dome homes. Pre-cut Homes are constructed to the State, local or regional building codes where the home will be located.

Premium

The Premium consists of the Price Premium plus any Servicing Released Premium (SRP).

Price Premium

The amount by which the purchase price less the Servicing Released Premium (SRP) exceeds the principal balance at the **Funding Date**. If the purchase price less the Servicing Released Premium does not exceed the principal balance at the Funding Date, then there is no Price Premium.

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Primary Borrower

If more than one person is obligated to repay the Loan, the Primary Borrower is considered to be the individual with the highest income. Except for Stated Income, No Ratio, or No Income No Asset Loans, the **Credit Score** of the Primary Borrower is used for grading purposes.

Prime Rate

The highest base commercial rate on corporate Loans at large U.S. money center commercial banks that The Wall Street Journal publishes as the Prime Rate.

Program Criteria

Also known as "Home Equity Program Criteria" shall mean GMAC-RFC's Home Equity Loan requirements as described in the Underwriting, Loan Eligibility and Loan Program Chapters of this Client Guide.

Progressive Cumulative Lates

Delinquencies that increase in severity. The most severe **Delinquency** reached is considered one event. For example, a mortgage rating with a three-month history with a 30, 60, 90 day Delinquency is considered 1x90 for grading purposes.

Property Data

Includes but is not limited to prior sale price, prior **Sale Date**, prior appraised Value, prior appraised date, lot size, year built, property type or any other property data and/or characteristics.

Propertywise

A report of property valuation issued under an **Automated Valuation Model (AVM)**, where such valuation report has been ordered from a GMAC-RFC Qualified AVM Vendor (as specified in GMAC-RFC **Exhibit 16G05**, Automated Value Model (AVM) Approved Vendors, using the vendor's GMAC-RFC Qualified AVM system, and the report of valuation has been given the GMAC-RFC Qualified AVM seal as may be determined through methods and systems issued at GMAC-RFC's sole discretion.

Purchase Date

The date GMAC-RFC approves the Home Equity Loan for purchase and funds the purchase price for such Home Equity Loan to the Client. The Purchase Date for each Home Equity Loan shall also be deemed to be the **Funding Date** for that Home Equity Loan, as that term is used in other Sections of this Client Guide.

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Qualifying Prepayment Penalty

A Qualifying Prepayment Penalty is in effect for at least 12 months from the Note date. It is more than or equal to either (a) six months advance interest on the amount by which the total of all prepayments within any 12 month period exceeds 20% of the original principal amount of the Loan or (b) "x"% of the principal amount prepaid, where "x" shall be 5 if the prepayment occurs in the first 12 months after the Note Date, "x" shall be 4 if the prepayment occurs in the 13th through 24th month from the Note Date, "x" shall be 3 if the prepayment occurs in the 25th through the 36th month from the Note Date, "x" shall be 2 if the prepayment occurs in the 37th through the 48th month from the Note Date and "x" shall be 1 if the prepayment occurs in the 49th through 60th month from the Note Date.

Registration Hours

The time periods during which GMAC-RFC is willing to receive requests from Clients to enter into **Commitments**. The standard Registration Hours are set forth in the **Requesting a Commitment** Section of Chapter 9A.

Re-established Credit

For credit grades A1 to A3, Re-established Credit is calculated from the discharge of bankruptcy or completion of foreclosure and requires the following:

- Minimum of 12 months verified housing payments with no Delinquencies AND
- Minimum of four trade lines open for 24 months with no Delinquencies. At least one trade line must have a credit line of at least \$1,000

For credit grades A4 to Cm, Re-established Credit is calculated from the discharge of bankruptcy or completion of foreclosure and requires the following:

- Minimum of 12 months verified housing payments (any Delinquencies will be considered in determining the final grade) AND
- Minimum of four trade lines open for 12 months. At least one trade line must have a credit line of at least \$1,000

Residual Income

The income remaining after PITI and debts listed on credit report or obtained through other documentation have been subtracted from the Borrower's gross monthly income.

Rolling Lates

Consecutive, identical Delinquencies. There is no limit to the number of months rolling Delinquencies can occur to be counted as one event. For example, a mortgage rating with a three-month history with 30, 30, 30 day Delinquencies is considered 1x30 for grading purposes. Some grading categories do not allow rolling mortgage Delinquencies.

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Rural Property

If any one of the following criteria exists, the property will be classified as rural:

- Appraiser classifies the property as rural
- Less than 25% of the surrounding market area is developed
- If at least 50% of the acceptable comparable properties are not within five miles of the subject property, unless the appraiser provides sufficient justification for the distance of the comparables and clarifies that the property is not rural in nature

See specific Loan Programs for acreage limitations.

Sale Date

In the case of any Bulk Servicing Acquisition of **Servicing Rights**, the Sale Date shall be the date agreed upon by the Client and GMAC-RFC as the date that title to the Servicing Rights is transferred to GMAC-RFC. In the case of Simultaneous Sales of Servicing and an **Early Purchase of Servicing** to GMAC-RFC on a Loan-by-Loan basis, the Sale Date shall be the date on which the purchase price of the Loan is funded. In the case of any Post Purchase Sales of Servicing, on a Loan-by-Loan basis, the Sale Date shall be the date stated in the Statement of Servicing Sold as being the Sale Date for such Servicing Rights.

Scheduled Principal Balance

At any time and with respect to any Loan, the original principal amount of such Loan at the time it was purchased by GMAC-RFC less that portion of any cash payments received by GMAC-RFC from the primary servicer for such Loan that is to be applied toward the reduction of the outstanding principal balance of the Loan.

Second Mortgage Program

When seen with initial capitalization, refers to all GMAC-RFC Second Mortgage Loan Programs, i.e., Home Equity Goal Loan, Home Equity Goal Line and 125 CLTV Programs.

Secondary Financing

Any type of indebtedness (including, but not limited to, any indebtedness arising from a Loan, judgment or unpaid taxes) secured in whole or in part by a lien upon the **Mortgaged Premises** regardless of whether the mortgage, deed of trust or other **Security Instrument** creating or evidencing that lien was of record in the appropriate real property records on the **Funding Date** or **Delivery Date**.

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Section 32 Home Equity Loan

A consumer Loan secured by the consumer's primary residence that is not a purchase money mortgage, an open-end home equity credit plan, a reverse mortgage or a bridge Loan for construction with a term of less than one year if:

- The annual percentage rate at consummation will exceed by more than ten percentage points the yield on Treasury securities having comparable periods of maturity to the Loan maturity as of the 15th day of the month immediately preceding the month in which the application for the extension of credit is received by the creditor OR
- The total points and fees payable by the consumer at or before Loan closing will exceed the greater of 8% of the total Loan amount or \$412. The \$412 figure will be adjusted annually on January 1 by the annual percentage change in the Consumer Price Index that was reported on the preceding June 1

Security Instrument

The applicable form of mortgage, deed of trust, deed to secure debt or security deed required under this Client Guide, including any riders, creating a lien on the **Mortgaged Premises**.

Servicer

A person or entity that has entered into a Servicer Contract with GMAC-RFC.

Servicer Guide

The GMAC-RFC Servicer Guide, as amended from time to time.

Servicing Agent

A Servicer that received GMAC-RFC's authorization to act on behalf of another Servicer in servicing Loans purchased by GMAC-RFC.

Servicing Documents

A subset of the **Loan Documents**, as described in the **Funding Documents** Section of Chapter 9C.

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Servicing Fee

For fixed-rate Loans, that percentage is the difference between the Note rate and the yield to GMAC-RFC. For ARM Loans that percentage is the least of the following:

- The difference between the interest rate at the time of purchase of the Loan and the initial net rate to GMAC-RFC
- The difference between the gross **Margin** and the net Margin to GMAC-RFC
- The difference between the maximum allowable interest rate (life cap) on the Note and the maximum net rate (life cap) due GMAC-RFC

Servicing Package

A funding Servicing Package must include the following documents:

- Current hazard insurance policy or binder
- Flood certification
- Flood insurance policy or binder, if applicable
- Life-of-Loan flood zone determination contract (unless GMAC-RFC sets up the contract).
- HUD-1
- Initial Escrow Account Disclosure Statement, if applicable
- Tax information sheet, if applicable
- Mortgage insurance certificate, if applicable
- **Temporary Buydown** agreement, if applicable
- Notice of ARM adjustments, if applicable

Servicing Released Premium (SRP)

A one-time premium paid to the Client for the Servicing Rights on a mortgage Loan.

Servicing Rights

With respect to each sale and transfer of Servicing Rights, the right, title and interest in and to the non-recourse servicing of any Loan and the maintenance and **Servicing Fee** income and any and all **Ancillary Income** arising from or in connection with any Loan.

Simultaneous Transactions

The Home Equity Loan is closed at the same time as a first mortgage Loan transaction.

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Simultaneous Transactions of Servicing

The sale of Servicing to GMAC-RFC concurrently with the sale of the Loan to GMAC-RFC.

Site Condominium

A condominium project consisting of one-unit, detached dwellings.

Standalone Transactions

The Home Equity Loan is closed subsequent to any first mortgage Loan transaction.

State

Any of the 50 States of the United States of America, including the District of Columbia.

Statistical Property Valuation

A form of appraisal which uses some form of **Automated Valuation Model (AVM)**.

Substitution Date

The date on which GMAC-RFC receives a Loan that the Client has substituted for a denied Loan.

Temporary Buydown

An amount of money paid by the Borrower, home-seller, home-builder or other person or entity that reduces the Borrower's monthly payments on the Note for a number of months at the beginning of the Loan term and that will, by the terms of the agreement establishing the **Temporary Buydown**, be pledged to the Client as additional security for the Loan.

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Title Vesting

The manner in which the Borrower takes title to the subject property. Types of Title Vesting are: individual, joint tenants, tenants in common and living trusts.

- Individual: an individual Borrower taking sole ownership (title) to a property
- Joint Tenants: a form of co-ownership giving each tenant equal interest and equal rights in a property, including the right of survivorship
- Tenants in Common: a form of individual ownership interest by two or more persons that provides for no right of survivorship. The interest need not be of equal percentage
- Living Trust: See definition in **Chapter 3**, Loan Eligibility

U.S. Possession or Territory

American Samoa, Guam, Marshall Islands, Federated States of Micronesia, Northern Marianas, Palau, Puerto Rico, U.S. Virgin Islands.

Uniform Instruments

The standard forms of **Loan Documents** most recently prepared and released by GMAC-RFC, **Fannie Mae** or **Freddie Mac** for use in evidencing or securing residential mortgage Loans.

Value

The Value of the **Mortgaged Premises** may be defined differently depending upon the type of financing, the length of time the property has been owned by the Borrower and the location of the Mortgaged Premises as established in the **Determination of Value** Section of Chapter 3.

Yield/Price Variances

Yield/Price Variances may apply for special features, Loan characteristics or other options as offered under this Client Guide.

Yield/Price Variances are posted on GMAC-RFC's Internet Portal at GMACResidentialFunding.com and are subject to change.